Committed to innovation and growth

Alan Hippe, CFO
Roche Group

London, October 2013
Roche strategy: Focused on medically differentiated therapies

Regulators:
Optimised benefit / risk ratio

Payors:
Optimised benefit / cost ratio
Roche: Sustainable growth in major emerging markets

**E7 countries**

Absolute amounts at 2012 exchange rates, growth at CER=Constant Exchange Rates
E7: Brazil, China, Mexico, India, South Korea, Russia, Turkey
Roche: Operating profit and margin continuously increased

Group core operating profit (CHF bn) and margin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8.40</td>
<td>9.16</td>
<td>8.25</td>
<td>8.64</td>
<td>9.49</td>
</tr>
</tbody>
</table>

35.0% 37.2% 38.1% 38.5% 40.7%

+10% at CER

CER=Constant Exchange Rates
HY 2013: +12% Core EPS growth\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>HY 2009</td>
<td>6.36</td>
</tr>
<tr>
<td>HY 2010</td>
<td>6.95</td>
</tr>
<tr>
<td>HY 2011</td>
<td>6.68</td>
</tr>
<tr>
<td>HY 2012</td>
<td>6.88</td>
</tr>
<tr>
<td>HY 2013</td>
<td>7.58</td>
</tr>
</tbody>
</table>

\(^1\) CER=Constant Exchange Rates
R&D productivity differs substantially among players

Average annual NME peak sales (2001-10)\(^1\)
US$ bn

$710 m Peak Sales (per $1 bn R&D)

Roche

$165 m Peak Sales (per $1 bn R&D)

Average annual R&D investment (1997-2006)\(^1\)
US$ bn

1 Peak sales and R&D calculated pro forma to account for major M&A
Source: EvaluatePharma; BCG analysis; Roche analysis
Roche: R&D well balanced from a risk & disease point of view

Source: Bernstein Equity Research, Tufts University and Roche analysis
Example: Changing the standard of care in HER2
Securing future growth by improving the standard of care

- **Adjuvant BC**:
  - Herceptin + chemo
  - Herceptin subcutaneous + chemo (HannaH)

- **1st line mBC**:
  - Herceptin + chemo
  - Herceptin & Perjeta + chemo (CLEOPATRA)
  - T-DM1 & Perjeta (MARIANNE)

- **2nd line mBC**:
  - Xeloda + lapatinib
  - Kadcyla (EMILIA)

Filing timelines:
- **2011**
- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
- **2017**
- **2018**
- **2019**
- **2020**

Legend:
- Established standard of care
- Potential new standard of care
- Potential future standard of care
Best-in-class pipeline: Where science takes us

**Oncology**
- 9 drugs launched
  - 5 Phase III
- Launched
  - Avastin
  - MabThera
  - Herceptin
  - Xeloda
  - Tarceva
  - Zelboraf
  - Erivedge
  - Perjeta
  - Kadcyla
  - MetMab
- Phase III
  - anti-PDL1
  - BCL2i
  - GA101
  - cobimetinib (MEKi)
- Phase II
  - 10 phase II

**Immunology/Inflammation**
- 4 drugs launched
  - 1 Phase III
- Launched
  - Mabthera RA
  - Actemra
  - Lucentis
  - Xolair
- Phase III
  - lebrikizumab
  - etrolizumab¹
  - lampalizumab²
- Phase II
  - 2 phase II

**Neuroscience**
- 3 Phase III
- Launched
  - bitopertin
  - ocrelizumab
  - gantenerumab
- Phase II
  - 4 phase II

1 FPI expected 1H 2014; 2 Phase III decision pending
Summary: Focus on innovation and growth

1. Strategic focus on innovation and driving Personalised Healthcare

2. Strong growth in Emerging Markets facilitated by tailored access models

3. Leading product pipeline providing value for the future
Doing now what patients need next